Posttest - Module #3: Kick Some Buck

Test version: 1.3

Student: _____
Teacher: _____
Class: _____

Question 1
Select the one statement that is NOT accurate about credit bureaus (also called "credit reporting agencies").

A Credit bureaus normally keep records of your payment history for seven to ten years.
B Credit bureaus also record where you live and where you work.
C Credit bureaus are not-for-profit agencies whose main purpose is to serve consumers.
D Credit bureaus are in business to make money. They make money by selling information on consumers' credit records and credit ratings to other businesses and individuals, such as landlords or insurance companies.

Question 2
Which statement is true?

A You can ignore your credit history and your credit score. Ignore it and nothing happens.
B You can't ignore your credit history or your credit score, because they impact everything you do.

Question 3
Which of the following types of companies or individuals will check your credit rating?

A Companies where you want to work.
B Your potential landlord at your first apartment.
C The electronics store if you plan to finance your dream stereo.
D All of the above.

Question 4
A "credit score" is a three-digit number which rates how much businesses like you personally.

True
False

Question 5
Which statement is true?

A Since my credit score is going to impact my freedom, my job, and my goodie collection, I should start thinking about my credit score now.
B Credit scores don't have anything to do with me yet. After my thirtieth birthday. That's when I'll worry about credit scores!

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Question 6
Which statement is true?

A You usually can get your credit score for free from the credit bureaus.
B You usually CANNOT get your credit score for free from the bureaus. Even though your credit score will have a huge impact on your life, you normally have to pay for your credit score if you get it from a credit bureau.

Question 7
Which of these credit scores represents the best credit rating?

A 420.
B 725.
C 610.
D 750.

Question 8
Only credit bureaus keep records of your payment history, not other companies.

True
False

Question 9
Which of these companies normally use your credit to determine the deposit you will to pay to the company?

A The telephone company.
B The apartment rental company.
C The power company.
D All of the above.

Question 10
Which definition is the correct definition of "risk-based financing"?

A Risk-based financing: If you don't like people, you charge them more.
B Risk-based financing: If a company thinks you are less likely to pay as you have agreed to pay, they charge you more.
C Risk-based financing: If you are an older person, they charge you more.
D Risk-based financing: Is used when you are from a family of race-car drivers.

Question 11
Which one of the following statements about risk-based financing is FALSE?

A If you are a low risk, you should pay less to borrow money.
B You can ignore risk-based financing.

Question 12

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Which is the more correct definition of "predatory lending"?

A Because your credit rating is low, a company charges you more interest on a loan. But the interest rate is directly related to your credit.
B Because your credit rating is low, a company charges you more interest on a loan. But the interest rate is NOT directly related to your credit. This company charges you as much interest as it can.
C Because you are young and do not have a credit history, a company can charge you more interest on the loan. But they can do this only if they tell you it is "predatory lending".
D Predatory lending is when a company only preys on the economically disadvantaged and only gives the economically disadvantaged high interest loans.

Question 13
Your credit score in this example means most companies will loan you money at ten percent interest. Based upon the ten percent interest rate, which answer would be an example of "predatory lending"?

A A company agrees to loan you money at ten percent interest.
B A company agrees to loan you money at twenty percent interest.
C A company agrees to loan you money at five percent interest.
D A company agrees to give you six months of interest-free money then charges you ten percent interest.

Question 14
Which of the following things does NOT affect your credit score?

A Paying your bills on time.
B Your parents' credit rating.
C Skipping payments on your cell phone account.
D The kind of credit you have.

Question 15
Who is in charge of your credit record and credit score?

A Your parents.
B The businesses that gives you a loan or rent you an apartment.
C Your high school business teacher.
D You.

Question 16
Which of the following statements is TRUE?

A Your very bad payment history with a financial institution will not be considered if you apply to another financial institution for a loan.
B If you missed a payment more than two years ago, it cannot be considered in a loan decision.
C Banks and other lenders share their borrowers' credit history with each other and are likely to know of any loan payments that you have missed.

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D People have so many loans it is very unlikely that one bank will know your history with another bank.

Question 17
Which of the following statements about your credit report is most accurate?

A All credit reports are the property of the U.S. Government and access is only available to the FBI and lenders.
B You can only check your credit report if you are turned down for credit based on a credit report.
C Your credit report (but normally not your credit score) can be checked once a year for free at the major credit reporting agencies.
D You cannot see your credit record.

Question 18
Most businesses won't tell you the truth about their product or service. Their job is to tell you the good things. Your job is to find out the truth.

True
False

Question 19
You can improve bad credit in a few months.

True
False

Question 20
Your credit score rules your life - that's reality. Which of these statements is NOT reality?

A The lower the credit score, the greater chance you have of being ripped off when it comes to the rate you will pay for everything.
B If you are from a low-income family, your chances of being hurt because of risk-based financing are a lot greater simply because you are from a low-income family.
C You make payments on time but they do not help your credit score because your payments are being made to a "rent-to-own" company.
D You can ignore your credit score, and won't be hurt by doing so.

Question 21
How do you spot native advertising?

A By the website it is published on.
B Labels such as "sponsored content".
C It's displayed in the ad section of a website.
D You can't tell the difference between a legit article and an ad.

Question 22
If you read an article about a product you like, you should:

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A Question the source of information.
B Take the information at face value.
C Look for ads by competitors and compare.
D None of the above.

Question 23
Examples of native advertising can include:

A News articles.
B Promoted posts.
C Recommended articles.
D All of the above.

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Answer key

1. C
2. B
3. D
4. False
5. A
6. B
7. D
8. False
9. D
10. B
11. B
12. B
13. B
14. B
15. D
16. C
17. C
18. True
19. False
20. D
21. B
22. A
23. D

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